

November 13, 2023

## Q2FY24 Result Update

Change in Estimates |  Target |  Reco

### Change in Estimates

	Current		Previous	
	FY24E	FY25E	FY24E	FY25E
Rating	BUY		ACCUMULATE	
Target Price	166		165	
Sales (Rs.m)	37,161	42,738	37,512	42,444
% Chng.	(0.9)	0.7		
EBITDA (Rs.m)	4,012	5,604	4,146	5,572
% Chng.	(3.2)	0.6		
EPS (Rs.)	7.3	9.8	7.5	9.7
% Chng.	(2.7)	0.6		

### Key Financials - Consolidated

Y/e Mar	FY23	FY24E	FY25E	FY26E
Sales (Rs. m)	33,301	37,161	42,738	48,284
EBITDA (Rs. m)	3,084	4,012	5,604	6,328
Margin (%)	9.3	10.8	13.1	13.1
PAT (Rs. m)	3,463	4,118	5,487	6,187
EPS (Rs.)	6.2	7.3	9.8	11.0
Gr. (%)	148.2	18.9	33.2	12.7
DPS (Rs.)	3.0	3.3	4.4	5.0
Yield (%)	2.1	2.3	3.0	3.4
RoE (%)	18.6	19.8	23.5	23.3
RoCE (%)	15.1	17.8	22.4	22.2
EV/Sales (x)	2.1	1.8	1.6	1.4
EV/EBITDA (x)	22.5	17.0	11.8	10.3
PE (x)	23.6	19.8	14.9	13.2
P/BV (x)	4.2	3.7	3.3	2.9

### Key Data

ENGI.BO | ENGR IN

52-W High / Low	Rs.167 / Rs.70
Sensex / Nifty	65,259 / 19,526
Market Cap	Rs.82bn/ \$ 979m
Shares Outstanding	562m
3M Avg. Daily Value	Rs.699.71m

### Shareholding Pattern (%)

Promoter's	51.32
Foreign	7.88
Domestic Institution	17.18
Public & Others	23.60
Promoter Pledge (Rs bn)	-

### Stock Performance (%)

	1M	6M	12M
Absolute	3.6	47.8	99.9
Relative	5.3	40.5	89.3

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## Decent Q2; revenue & profit guidance retained

### Quick Pointers:

- Order book stands healthy at Rs81.9bn (1.4x TTM revenue).
- Q2 order inflow came in at Rs11.4bn (vs Rs3.4bn in Q2FY23), driven by strong inflows in Turnkey Projects (Rs8.4bn) and Domestic Consultancy (Rs2.8bn).

**We roll forward to Sep-25E and upgrade our rating to 'BUY' from Accumulate (factoring in recent correction in stock price) with revised TP of Rs166 (Rs165 earlier) valuing it at a PE of 16x Sep-25E. Engineers India Ltd (EIL) reported flat revenue YoY with EBITDA margin expanding 668bps YoY to 12.2%, driven by higher gross margin. A liquidated damages settlement in one Turkey project added Rs449mn & Rs446mn to Q2 revenue and profit respectively. The company is increasing efforts in overseas business in order to bring it to a similar level as the domestic business, with a focus on markets such as Algeria, Nigeria, and South America. EIL is also concentrating on growing its new decarbonization business including green hydrogen, green ammonia, biofuels, etc. The order book and pipeline remain healthy and will drive revenue growth in coming years. Management has retained its guidance of ~10% revenue and PAT growth for FY24, along with ~3% margin in Turnkey Projects.**

**We believe EIL's long-term growth prospects remain intact given 1) healthy order book, 2) strong project pipeline, 3) diversification into decarbonization business, and 4) lean balance sheet. We estimate Revenue/PAT CAGR of 13.2%/21.6% over FY23-26E. The stock is currently trading at a PE of 18.8x/14.1x/12.5x FY24/25/26E. Upgrade to 'Buy'.**

**Gross margin expansion drives improvement in EBITDA margin:** Standalone revenue was flat YoY at Rs7.7bn (PLe ~Rs8.6bn). Consultancy revenue grew 4.5% YoY to Rs3.6bn, accounting for 46.5% of total sales (44.2% in Q2FY23), while Turnkey Projects contributed 53.5% (55.8% in Q2FY23), having fallen 4.7% YoY to Rs4.2bn. Gross margin expanded to 52.8% (vs 45.1% in Q2FY23). Reported EBITDA grew 126.8% YoY to Rs952mn (PLe Rs827mn) with EBITDA margin expanding 668bps YoY to 12.2% (PLe 9.6%), largely driven by better gross margin. Consultancy EBIT margin expanded by 337bps YoY to 22.8%, while reported Turnkey margin came in at 11.8% vs 3.1% in Q2FY23. PAT grew 20.0% YoY to Rs1.0bn, (PLe Rs899mn) dragged by lower other income (down 30.3% YoY to Rs466mn) and a higher effective tax rate at 23.3% (vs a low base of 16.4% in Q2FY23). EIL received a settlement for liquidated damages (LD) deducted by a client in one Turnkey project, which was included in Q2 revenue & profit to the tune of Rs449mn & Rs446mn respectively. Adjusting for this, Turnkey segment revenue declined 14.9% YoY to Rs3.7bn and margin declined to 1.3%.

**Healthy order book stands at Rs81.9bn:** Order inflow in Q2FY24 came in at Rs11.4bn (vs Rs3.4bn in Q2FY23), driven by a significant order win in Turnkey segment worth Rs8.1bn from ONGC. Order book stands healthy at Rs81.9bn (1.4x TTM revenue), comprising of Consultancy (~59%) and Turnkey (~41%).

**Exhibit 1: Increase in gross margin drives EBITDA margin expansion of 668bps YoY**

Y/e March (Rs mn)	Q2FY23	Q3FY23	Q4FY23	Q1FY23	Q2FY23	YoY gr. (%)	QoQ gr. (%)	H1FY24	H1FY23	YoY gr. (%)
<b>Revenue</b>	<b>7,820</b>	<b>8,306</b>	<b>8,661</b>	<b>8,083</b>	<b>7,772</b>	<b>(0.6)</b>	<b>(3.8)</b>	<b>15,856</b>	<b>15,870</b>	<b>(0.1)</b>
<b>Total Revenues</b>	<b>7,820</b>	<b>8,306</b>	<b>8,661</b>	<b>8,083</b>	<b>7,772</b>	<b>(0.6)</b>	<b>(3.8)</b>	<b>15,856</b>	<b>15,870</b>	<b>(0.1)</b>
Expenditure	7,400	7,841	7,819	7,398	6,820	(7.8)	(7.8)	14,218	14,990	(5.1)
<i>as % of sales</i>	<i>94.6</i>	<i>94.4</i>	<i>90.3</i>	<i>91.5</i>	<i>87.8</i>			<i>89.7</i>	<i>94.5</i>	
Consumption of RM	4,296	4,700	4,814	4,526	3,668	(14.6)	(19.0)	8,193	8,765	(6.5)
<i>as % of sales</i>	<i>54.9</i>	<i>56.6</i>	<i>55.6</i>	<i>56.0</i>	<i>47.2</i>			<i>51.7</i>	<i>55.2</i>	
Employee Cost	2,393	2,360	2,370	2,316	2,395	0.1	3.4	4,711	4,632	1.7
<i>as % of sales</i>	<i>30.6</i>	<i>28.4</i>	<i>27.4</i>	<i>28.7</i>	<i>30.8</i>			<i>29.7</i>	<i>29.2</i>	
Other expenditure	711	781	635	556	758	6.6	36.3	1,314	1,593	(17.5)
<i>as % of sales</i>	<i>9.1</i>	<i>9.4</i>	<i>7.3</i>	<i>6.9</i>	<i>9.7</i>			<i>8.3</i>	<i>10.0</i>	
<b>EBITDA</b>	<b>420</b>	<b>465</b>	<b>843</b>	<b>685</b>	<b>952</b>	<b>126.8</b>	<b>38.9</b>	<b>1,637</b>	<b>880</b>	<b>86.1</b>
Depreciation	66	66	70	74	81	24.1	9.6	156	117	33.5
<b>EBIT</b>	<b>354</b>	<b>399</b>	<b>773</b>	<b>611</b>	<b>871</b>	<b>145.9</b>	<b>42.5</b>	<b>1,482</b>	<b>763</b>	<b>94.1</b>
Other Income	669	257	493	926	466	(30.3)	(49.7)	1,392	941	47.9
Interest	5	4	4	11	4	(10.8)	(64.4)	15	6	160.8
Extra ordinary items	-	-	-	-	-			-	-	
<b>PBT</b>	<b>1,018</b>	<b>652</b>	<b>1,261</b>	<b>1,526</b>	<b>1,333</b>	<b>30.9</b>	<b>(12.7)</b>	<b>2,859</b>	<b>1,699</b>	<b>68.3</b>
Total Tax	167	175	462	390	311	86.2	(20.2)	701	342	104.7
<b>Reported PAT</b>	<b>851</b>	<b>478</b>	<b>799</b>	<b>1,136</b>	<b>1,022</b>	<b>20.0</b>	<b>(10.1)</b>	<b>2,158</b>	<b>1,356</b>	<b>59.1</b>
(Profit)/loss from JV's/Ass/MI	-	-	-	-	-	-	-	-	-	-
<b>PAT after MI</b>	<b>851</b>	<b>478</b>	<b>799</b>	<b>1,136</b>	<b>1,022</b>	<b>20.0</b>	<b>(10.1)</b>	<b>2,158</b>	<b>1,356</b>	<b>59.1</b>
<b>Adjusted PAT</b>	<b>851</b>	<b>478</b>	<b>799</b>	<b>1,136</b>	<b>1,022</b>	<b>20.0</b>	<b>(10.1)</b>	<b>2,158</b>	<b>1,356</b>	<b>59.1</b>
<b>Adjusted EPS (diluted)</b>	<b>1.5</b>	<b>0.9</b>	<b>1.4</b>	<b>2.0</b>	<b>1.8</b>	<b>20.0</b>	<b>(10.1)</b>	<b>3.8</b>	<b>2.4</b>	<b>59.1</b>
<b>Margins (%)</b>	<b>Q2FY23</b>	<b>Q3FY23</b>	<b>Q4FY23</b>	<b>Q1FY23</b>	<b>Q2FY23</b>	<b>bps</b>	<b>bps</b>	<b>H1FY24</b>	<b>H1FY23</b>	<b>bps</b>
EBITDA	5.4	5.6	9.7	8.5	12.2	688	377	10.3	5.5	478
EBIT	4.5	4.8	8.9	7.6	11.2	667	364	9.3	4.8	453
EBT	13.0	7.9	14.6	18.9	17.1	413	(173)	18.0	10.7	733
PAT	21.8	11.5	18.5	28.1	26.3	453	(181)	35.2	30.2	494
Effective Tax rate	16.4	26.8	36.6	25.5	23.3	693	(222)	24.5	20.1	436

Source: Company, PL

**Exhibit 2: Adjusting for LD settlement, Turnkey revenue declined 14.9% YoY to Rs3.7bn and margin declined to 1.3%**

Y/e March (Rs mn)	Q2FY23	Q3FY23	Q4FY23	Q1FY23	Q2FY23	YoY gr. (%)	QoQ gr. (%)	H1FY24	H1FY23	YoY gr. (%)
<b>Revenue</b>										
Consultancy	3,456	3,503	3,715	3,457	3,611	4.5	4.5	7,068	6,962	1.5
Turnkey Projects	4,364	4,804	4,947	4,627	4,161	(4.7)	(10.1)	8,788	8,908	(1.3)
<b>Segmental EBIT</b>										
Consultancy	670	690	1,866	885	822	22.7	(7.1)	1,707	1,275	33.9
<i>EBIT margin (%)</i>	<i>19.4</i>	<i>19.7</i>	<i>50.2</i>	<i>25.6</i>	<i>22.8</i>	<i>337</i>	<i>(284)</i>	<i>24.2</i>	<i>18.3</i>	
Turnkey Projects	136	91	202	95	492	260.9	420.8	587	228	157.4
<i>EBIT margin (%)</i>	<i>3.1</i>	<i>1.9</i>	<i>4.1</i>	<i>2.0</i>	<i>11.8</i>	<i>871</i>	<i>979</i>	<i>6.7</i>	<i>2.6</i>	

Source: Company, PL

## Conference Call Highlights

- **Maintained Revenue and PAT growth guidance of ~10% for FY24.**
- **FY24 order inflow will reach at least the same level as FY23 (Rs4.7bn).** Bidding on orders worth ~Rs400bn (total project cost) over the next 6 months.
- Adjusting for the liquidated damages settlement, Turnkey Projects margin in Q2 was 1.3%. **Long-term guidance for the segment margin is ~3%.**
- **Increasing initiatives in international markets** to bring overseas business to the same level as domestic business. Re-established presence in Algeria, strengthening position in Nigeria and pursuing opportunities in South America.
- **Focusing on growing decarbonization business**, including green hydrogen, green ammonia, biofuels, etc. Already working on 3-4 projects in green hydrogen with BORL, Adani, etc. Also worked with a private sector client on a green ammonia project related to green hydrogen.
- **Green hydrogen is a new segment for EIL.** Many projects are in design phase; implementation will take 1-2 years.
- **Signed MoU with NTPC** to provide services on their R&D pilot projects in decarbonization/energy transition. Not a large opportunity yet, but can become so in the future.
- **Looking at inorganic opportunities to bring on technology partner** for decarbonization projects, as gestation period to develop technology is long.
- **Infrastructure business has increased multifold** through niche activities including data centers, airports, residential/institutional buildings as project management consultants, etc. Recently secured a job as project management consultant for an international horticulture center.
- **Have not yet entered CBG segment** given competition.
- **Received ~Rs540mn dividend last year from Numaligarh Refinery** on a Rs7bn investment; translating to a 7-8% return.
- **Worked on few small consultancy orders for Numaligarh**, but all through competitive bidding. There are no nomination orders.
- **Dangote project was a long-term project whose value increased** significantly with various expansions. There are still a lot of future opportunities in Dangote.

## Financials

### Income Statement (Rs m)

Y/e Mar	FY23	FY24E	FY25E	FY26E
<b>Net Revenues</b>	<b>33,301</b>	<b>37,161</b>	<b>42,738</b>	<b>48,284</b>
YoY gr. (%)	14.3	11.6	15.0	13.0
Cost of Goods Sold	18,360	18,952	20,984	23,563
Gross Profit	14,941	18,209	21,754	24,722
Margin (%)	44.9	49.0	50.9	51.2
Employee Cost	9,535	10,202	11,427	12,455
Other Expenses	1,142	1,486	1,710	1,835
<b>EBITDA</b>	<b>3,084</b>	<b>4,012</b>	<b>5,604</b>	<b>6,328</b>
YoY gr. (%)	(10.4)	30.1	39.7	12.9
Margin (%)	9.3	10.8	13.1	13.1
Depreciation and Amortization	257	290	323	371
<b>EBIT</b>	<b>2,827</b>	<b>3,721</b>	<b>5,281</b>	<b>5,957</b>
Margin (%)	8.5	10.0	12.4	12.3
Net Interest	15	14	16	18
Other Income	1,644	1,784	2,051	2,366
<b>Profit Before Tax</b>	<b>4,455</b>	<b>5,491</b>	<b>7,316</b>	<b>8,304</b>
Margin (%)	13.4	14.8	17.1	17.2
Total Tax	1,013	1,373	1,829	2,118
Effective tax rate (%)	22.7	25.0	25.0	25.5
<b>Profit after tax</b>	<b>3,442</b>	<b>4,118</b>	<b>5,487</b>	<b>6,187</b>
Minority interest	-	-	-	-
Share Profit from Associate	20	-	-	-
<b>Adjusted PAT</b>	<b>3,463</b>	<b>4,118</b>	<b>5,487</b>	<b>6,187</b>
YoY gr. (%)	148.2	18.9	33.2	12.7
Margin (%)	10.4	11.1	12.8	12.8
Extra Ord. Income / (Exp)	-	-	-	-
<b>Reported PAT</b>	<b>3,463</b>	<b>4,118</b>	<b>5,487</b>	<b>6,187</b>
YoY gr. (%)	148.2	18.9	33.2	12.7
Margin (%)	10.4	11.1	12.8	12.8
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	3,463	4,118	5,487	6,187
<b>Equity Shares O/s (m)</b>	<b>562</b>	<b>562</b>	<b>562</b>	<b>562</b>
<b>EPS (Rs)</b>	<b>6.2</b>	<b>7.3</b>	<b>9.8</b>	<b>11.0</b>

Source: Company Data, PL Research

### Balance Sheet Abstract (Rs m)

Y/e Mar	FY23	FY24E	FY25E	FY26E
<b>Non-Current Assets</b>				
<b>Gross Block</b>	<b>3,874</b>	<b>4,374</b>	<b>4,874</b>	<b>5,374</b>
Tangibles	3,874	4,374	4,874	5,374
Intangibles	-	-	-	-
<b>Acc: Dep / Amortization</b>	<b>1,412</b>	<b>1,702</b>	<b>2,025</b>	<b>2,396</b>
Tangibles	1,412	1,702	2,025	2,396
Intangibles	-	-	-	-
<b>Net fixed assets</b>	<b>2,462</b>	<b>2,672</b>	<b>2,848</b>	<b>2,978</b>
Tangibles	2,462	2,672	2,848	2,978
Intangibles	-	-	-	-
Capital Work In Progress	282	282	282	282
Goodwill	-	-	-	-
Non-Current Investments	11,688	11,453	11,533	11,601
Net Deferred tax assets	3,369	3,369	3,369	3,369
Other Non-Current Assets	1,070	1,301	1,710	1,931
<b>Current Assets</b>				
Investments	1,454	2,631	4,323	5,395
Inventories	12	41	47	53
Trade receivables	3,676	4,887	5,386	7,805
Cash & Bank Balance	10,964	10,998	11,065	11,208
Other Current Assets	3,987	4,459	5,342	5,794
<b>Total Assets</b>	<b>40,510</b>	<b>43,740</b>	<b>48,305</b>	<b>53,324</b>
<b>Equity</b>				
Equity Share Capital	2,810	2,810	2,810	2,810
Other Equity	16,805	19,070	22,088	25,491
<b>Total Networkth</b>	<b>19,615</b>	<b>21,880</b>	<b>24,898</b>	<b>28,301</b>
<b>Non-Current Liabilities</b>				
Long Term borrowings	189	189	189	189
Provisions	-	-	-	-
Other non current liabilities	-	-	-	-
<b>Current Liabilities</b>				
ST Debt / Current of LT Debt	-	-	-	-
Trade payables	3,466	3,971	4,449	5,027
Other current liabilities	20,610	21,070	22,138	23,176
<b>Total Equity &amp; Liabilities</b>	<b>40,510</b>	<b>43,740</b>	<b>48,305</b>	<b>53,324</b>

Source: Company Data, PL Research

**Cash Flow (Rs m)**

Y/e Mar	FY23	FY24E	FY25E	FY26E
PBT	4,455	5,491	7,316	8,304
Add. Depreciation	257	290	323	371
Add. Interest	15	14	16	18
Less Financial Other Income	1,644	1,784	2,051	2,366
Add. Other	(1,724)	-	-	-
Op. profit before WC changes	3,003	5,795	7,656	8,694
Net Changes-WC	(2,783)	(844)	(1,083)	(2,058)
Direct tax	(1,347)	(1,373)	(1,829)	(2,118)
<b>Net cash from Op. activities</b>	<b>(1,127)</b>	<b>3,579</b>	<b>4,744</b>	<b>4,518</b>
Capital expenditures	(345)	(500)	(500)	(500)
Interest / Dividend Income	641	-	-	-
Others	2,925	(1,176)	(1,692)	(1,072)
<b>Net Cash from Inv. activities</b>	<b>3,221</b>	<b>(1,676)</b>	<b>(2,192)</b>	<b>(1,572)</b>
Issue of share cap. / premium	-	-	-	-
Debt changes	-	-	-	-
Dividend paid	(1,686)	(1,853)	(2,469)	(2,784)
Interest paid	-	(14)	(16)	(18)
Others	(71)	-	-	-
<b>Net cash from Fin. activities</b>	<b>(1,757)</b>	<b>(1,867)</b>	<b>(2,485)</b>	<b>(2,802)</b>
<b>Net change in cash</b>	<b>337</b>	<b>35</b>	<b>66</b>	<b>143</b>
Free Cash Flow	(1,127)	3,579	4,744	4,518

Source: Company Data, PL Research

**Key Financial Metrics**

Y/e Mar	FY23	FY24E	FY25E	FY26E
<b>Per Share(Rs)</b>				
EPS	6.2	7.3	9.8	11.0
CEPS	6.6	7.8	10.3	11.7
BVPS	34.9	38.9	44.3	50.4
FCF	(2.0)	6.4	8.4	8.0
DPS	3.0	3.3	4.4	5.0
<b>Return Ratio(%)</b>				
RoCE	15.1	17.8	22.4	22.2
ROIC	34.4	38.2	48.4	43.6
RoE	18.6	19.8	23.5	23.3
<b>Balance Sheet</b>				
Net Debt : Equity (x)	(0.6)	(0.6)	(0.6)	(0.6)
Net Working Capital (Days)	2	9	8	21
<b>Valuation(x)</b>				
PER	23.6	19.8	14.9	13.2
P/B	4.2	3.7	3.3	2.9
P/CEPS	21.9	18.5	14.0	12.4
EV/EBITDA	22.5	17.0	11.8	10.3
EV/Sales	2.1	1.8	1.6	1.4
Dividend Yield (%)	2.1	2.3	3.0	3.4

Source: Company Data, PL Research

**Quarterly Financials (Rs m)**

Y/e Mar	Q3FY23	Q4FY23	Q1FY24	Q2FY24
<b>Net Revenue</b>	<b>8,306</b>	<b>8,661</b>	<b>8,083</b>	<b>7,772</b>
YoY gr. (%)	21.9	7.5	0.4	(0.6)
Raw Material Expenses	4,700	4,814	4,526	3,668
Gross Profit	3,606	3,847	3,558	4,104
Margin (%)	43.4	44.4	44.0	52.8
<b>EBITDA</b>	<b>465</b>	<b>843</b>	<b>685</b>	<b>952</b>
YoY gr. (%)	(25.5)	(22.0)	48.9	126.8
Margin (%)	5.6	9.7	8.5	12.2
Depreciation / Depletion	66	70	74	81
<b>EBIT</b>	<b>399</b>	<b>773</b>	<b>611</b>	<b>871</b>
Margin (%)	4.8	8.9	7.6	11.2
Net Interest	4	4	11	4
Other Income	257	493	926	466
<b>Profit before Tax</b>	<b>652</b>	<b>1,261</b>	<b>1,526</b>	<b>1,333</b>
Margin (%)	7.9	14.6	18.9	17.1
Total Tax	175	462	390	311
Effective tax rate (%)	26.8	36.6	25.5	23.3
<b>Profit after Tax</b>	<b>478</b>	<b>799</b>	<b>1,136</b>	<b>1,022</b>
Minority interest	-	-	-	-
Share Profit from Associates	-	-	-	-
<b>Adjusted PAT</b>	<b>478</b>	<b>799</b>	<b>1,136</b>	<b>1,022</b>
YoY gr. (%)	(29.8)	(36.7)	125.0	20.0
Margin (%)	5.8	9.2	14.1	13.1
Extra Ord. Income / (Exp)	-	-	-	-
<b>Reported PAT</b>	<b>478</b>	<b>799</b>	<b>1,136</b>	<b>1,022</b>
YoY gr. (%)	(29.8)	(36.7)	125.0	20.0
Margin (%)	5.8	9.2	14.1	13.1
Other Comprehensive Income	-	-	-	-
<b>Total Comprehensive Income</b>	<b>478</b>	<b>799</b>	<b>1,136</b>	<b>1,022</b>
Avg. Shares O/s (m)	562	562	562	562
<b>EPS (Rs)</b>	<b>0.9</b>	<b>1.4</b>	<b>2.0</b>	<b>1.8</b>

Source: Company Data, PL Research

**Price Chart**
**Recommendation History**


No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	05-Oct-23	Accumulate	165	143
2	09-Aug-23	Accumulate	165	155
3	06-Jul-23	Accumulate	116	120
4	30-May-23	Accumulate	116	111
5	11-Apr-23	BUY	85	74
6	04-Jan-23	BUY	89	80

**Analyst Coverage Universe**

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	ABB India	Accumulate	4,950	4,311
2	Apar Industries	Accumulate	5,630	5,165
3	Bharat Electronics	Accumulate	143	133
4	BHEL	Reduce	67	127
5	Carborundum Universal	BUY	1,408	1,076
6	Cummins India	Hold	1,811	1,767
7	Engineers India	Accumulate	165	143
8	GE T&D India	Hold	367	386
9	Grindwell Norton	BUY	2,604	2,159
10	Harsha Engineers International	Accumulate	415	393
11	Hindustan Aeronautics	BUY	2,266	2,059
12	Kalpataru Projects International	BUY	740	636
13	KEC International	Hold	645	615
14	Larsen & Toubro	BUY	3,437	2,929
15	Praj Industries	Accumulate	611	534
16	Siemens	Accumulate	4,241	3,559
17	Thermax	Hold	2,771	2,895
18	Triveni Turbine	Accumulate	450	392
19	Voltamp Transformers	Hold	5,079	4,989

**PL's Recommendation Nomenclature (Absolute Performance)**

<b>Buy</b>	: > 15%
<b>Accumulate</b>	: 5% to 15%
<b>Hold</b>	: +5% to -5%
<b>Reduce</b>	: -5% to -15%
<b>Sell</b>	: < -15%
<b>Not Rated (NR)</b>	: No specific call on the stock
<b>Under Review (UR)</b>	: Rating likely to change shortly

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